GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:1506
ANSWERED ON:26.07.2016
Premium Payment Under Crop Insurance Scheme
Singh Shri Bharatendra

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

the details of the various initiatives the Government intends to implement to attract the farmers to give up large amounts of their current liquidity to meet premium payments under the Crop Insurance Scheme?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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Government has recently reviewed the Crop Insurance Schemes and introduced Pradhan Mantri Fasal Bima Yojana (PMFBY). Under this scheme to shield the farmers from the burden of high premiums and inadequate claims particularly in high risky areas due to capping of premium & reduction of sum insured vis-Ã -vis claims under erstwhile schemes of Modified National Agricultural Insurance Scheme (MNAIS) and Weather Based Crop Insurance Scheme (WBCIS), farmer's share in premium has been kept uniformally very low for all farmers on pan India basis for food & oilseeds crops has been fixed at maximum 2% and 1.5% of sum insured for food & Oilseed crops for Kharif and Rabi seasons respectively. In case of annual commercial/horticultural crops maximum premium is 5%. The remaining part of the actuarial premium would be shared by the Central and State Governments on 50 : 50 basis. There is a provision to finance requisite premium amount above the loan by the bank to loanee farmers farmers.

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